

# **SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING**

February 16, 2007

10:00 a.m.

Presiding: Marcia I. Jones, President

227 West Jefferson Boulevard  
South Bend, Indiana

## **1. ROLL CALL**

Members Present:

Ms. Marcia Jones, President  
Mr. Karl King, Vice President  
Mr. Greg Downes, Secretary  
Mr. Hardie Blake, Jr.

Members Absent:

Mr. William Hojnacki

Legal Counsel:

Ms. Cheryl Greene, Esq.

Redevelopment Staff:

Mr. Bill Schalliol, Economic Development Specialist  
Mrs. Cheryl Phipps, Recording Secretary  
Mr. Andrew Laurent, Economic Development Specialist  
Ms. Jennifer Laurent, Economic Development Specialist  
Mr. Nicholas Witwer, Economic Development Specialist

Others Present:

Mr. Tom Price, Mayor's Office  
Ms. Jamie Wade, South Bend Tribune  
Ms. Mindy Risser, Grubb & Ellis/Cressy & Everett  
Mr. Ryan White, Grubb & Ellis/Cressy & Everett  
Mr. Rick Doolittle, Grubb & Ellis, Cressy & Everett  
Ms. Sheral Litell, Grubb & Ellis/Cressy & Everett  
Ms. Connie Ackles, Grubb & Ellis/Cressy & Everett  
Mr. Christian Davey, Grubb & Ellis/Cressy & Everett  
Mr. Roy Roelke, Grubb & Ellis/Cressy & Everett  
Ms. Regina Emberton, CB Richard Ellis  
Mr. Greg Pink, CB Richard Ellis  
Mr. Brad Toothaker, CB Richard Ellis  
Mr. Herb Wilson, MHM Realty  
Mr. Michael LaFollett, MHM Realty  
Ms. Glenda Rae Hernandez  
Ms. Rita Kopala

South Bend Redevelopment Commission  
Regular Meeting –February 16, 2007

**2. APPROVAL OF MINUTES**

**A. Approval of Minutes of the Regular Meeting of  
Friday, January 19, 2007.**

Upon a motion by Mr. King, seconded by Mr.  
Downes and unanimously carried, the Commission  
approved the Minutes of the Regular Meeting of  
Friday, January 19, 2007.

COMMISSION APPROVED THE MINUTES OF THE  
REGULAR MEETING OF FRIDAY, JANUARY 19,  
2007

**3. APPROVAL OF CLAIMS**

Redevelopment Commission Claims submitted February 16, 2007 for approval.

324 AIRPORT AEDA

Abonmarche	1,280.00
City Of South Bend	1,872.40
SBD Reprographics	128.12
Blackthorn Corporate Park	22,941.80
South Bend Tribune	93.72
Tri County News	58.62
Crowe Chizek	4,702.39

420 FUND TIF DISTRICT-SBCDA GENERAL

NIPSCO	1,318.68
Ampco System Parking	4,585.34
AT & T	166.57
South Bend Water Works	615.83
Crowe Chizek	1,829.48
City of South Bend	856.70
CBRE	1,187.64
Indiana Michigan Power	417.07
Peltz Services, Inc.	356.56

422 FUND WEST WASHINGTON

Crowe Chizek	144.06
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426 FUND MEDICAL DISTRICT TIF

Crowe Chizek	297.88
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### 3. APPROVAL OF CLAIMS (CONT.)

#### 428 FUND AIRPORT 2003 BOND

Danch, Harner & Associates, Inc.	4,111.07
Walsh & Kelly	56,045.79
South Bend Tribune	91.94
Tri County News	60.10
DLZ Indiana, LLC	2,900.35
SBD Reprographics	454.82

#### 430 FUND SOUTH SIDE DEVELOPMENT

Crowe Chizek	213.32
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#### 619 FUND BLACKTHORN

Meadowbrook Golf Group Inc.	16,000.00
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<u>\$ 122,730.25</u>
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Upon a motion by Mr. Downes, seconded by Mr. King and unanimously carried, the Commission ratified and approved the Claims submitted February 16, 2007, and ordered checks to be released.

COMMISSION RATIFIED AND APPROVED THE CLAIMS SUBMITTED FEBRUARY 16, 2007, AND ORDERED THE CHECKS TO BE RELEASED

### 4. COMMUNICATIONS

There were no Communications.

THERE WERE NO COMMUNICATIONS

### 5. OLD BUSINESS

There was no Old Business.

THERE WAS NO OLD BUSINESS

### 6. NEW BUSINESS

#### A. Public Hearings

- (1) **Public Hearing on Resolution No. 2311 contracting the boundaries of the Northeast Neighborhood Development Area, reducing the allocation area for purposes of tax increment financing and amending the Development Plan for the Northeast Neighborhood Development Area.**

**6. NEW BUSINESS (CONT.)**

**A. Public Hearings**

**(1) continued...**

Mr. Schalliol noted that the Public Hearing file is complete and requested the following items be entered into the record: (1) a copy of the Notice of Hearing; (2) a copy of Resolution No. 2311; (3) an affidavit from the Tri County News and South Bend Tribune that the Notice of Public Hearing was published in those newspapers on February 2, 2007 ; (4) a statement from Mr. Schalliol that on February 5, 2007, a copy of the Notice of Hearing was sent to the affected property owners and registered neighborhood associations; and (5) as of 10:00 a.m. February 16, 2007, no written remonstrances were received.

Mr. Schalliol noted that the purpose of the boundary contraction is to remove a portion of property that has been de-annexed from the City of South Bend at the southwest corner of Eddy and the old Edison Road.

Ms. Greene noted that under I.C. 36-7-14-17.5, the Commission is not required to have evidence or make findings that were required for the establishment of the original development area. However, the Commission is required to make the following findings before approving the amendment: (1) The amendment is reasonable and appropriate when considered in relation to the original resolution, plan and purposes of I.C. 36-7-14, and (2) The resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the City. Resolution No. 2311, as presented, incorporates these

## **6. NEW BUSINESS (CONT.)**

### **A. Public Hearings**

#### **(1) continued...**

findings and, accordingly, adoption of Resolution No. 2311 as presented will satisfy the legal requirements of the statute. In addition, the Commission is required to consider any written remonstrances that are filed during the filing period specified in the notice.

Ms. Jones opened the Public Hearing for anyone who wished to speak concerning Resolution No. 2311. There was no one who wished to speak. Ms. Jones closed the Public Hearing for whatever action the Commission wished to take.

PUBLIC HEARING ON RESOLUTION NO. 2311

#### **(2) Commission approval requested for Resolution No. 2311.**

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved Resolution No. 2311 contracting the boundaries of the Northeast Neighborhood Development Area, reducing the allocation area for purposes of tax increment financing and amending the Development Plan for the Northeast Neighborhood Development Area.

COMMISSION APPROVED RESOLUTION NO. 2311 CONTRACTING THE BOUNDARIES OF THE NORTHEAST NEIGHBORHOOD DEVELOPMENT AREA, REDUCING THE ALLOCATION AREA FOR PURPOSES OF TAX INCREMENT FINANCING AND AMENDING THE DEVELOPMENT PLAN FOR THE NORTHEAST NEIGHBORHOOD DEVELOPMENT AREA.

#### **(3) Public Hearing on Resolution No. 2312 expanding the boundaries of the Northeast Neighborhood Development Area, expanding the allocation area for purposes of tax increment financing and amending the Development Plan for the Northeast Neighborhood Development Area.**

**6. NEW BUSINESS (CONT.)**

**A. Public Hearings**

**(3) continued...**

Mr. Schalliol noted that the Public Hearing file is complete and requested the following items be entered into the record: (1) a copy of the Notice of Hearing; (2) a copy of Resolution No. 2312; (3) an affidavit from the Tri County News and South Bend Tribune that the Notice of Public Hearing was published in those newspapers on February 2, 2007 ; (4) a statement from Mr. Schalliol that on February 5, 2007, a copy of the Notice of Public Hearing was sent to the affected property owners and registered neighborhood associations; and (5) as of 10:00 a.m. February 16, 2007, no written remonstrances were received.

Mr. Schalliol noted that the purpose of the boundary expansion is to add to the Northeast Neighborhood Development Area the area recently added to the city limits between the newly aligned Edison Road and the former boundary of the City of South Bend.

Ms. Greene noted that the actions today to amend the boundary of the Northeast Neighborhood Development Area is accomplished through two separate resolutions. Resolution No. 2311 contracts the boundaries of the development area at one location and Resolution No. 2312 expands the development area boundary at another location in order. Rather than incorporate both actions into one resolution which may have proven confusing to the auditor with respect to the tax allocation area,

**6. NEW BUSINESS (CONT.)**

**A. Public Hearings**

**(3) continued...**

it seemed more prudent to accomplish the boundary adjustments through two (2) separate resolutions.

Ms. Greene further advised the Commission that under I.C. 36-7-14-17.5, the Commission is not required to have evidence or make findings that were required for the establishment of the original development area. However, the Commission is required to make the following findings before approving the amendment: (1) The amendment is reasonable and appropriate when considered in relation to the original resolution, plan and purposes of I.C. 36-7-14, and (2) The resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the City. Resolution No. 2312 incorporates these findings and, accordingly, adoption of Resolution No. 2312 as presented will satisfy the legal requirements of the statute. In addition, the Commission is required to consider any written remonstrances that are filed during the filing period specified in the notice.

Ms. Jones opened the Public Hearing for anyone who wished to speak concerning Resolution No. 2312. There was no one who wished to speak. Ms. Jones closed the Public Hearing for whatever action the Commission wished to take.

PUBLIC HEARING ON RESOLUTION NO. 2312

**6. NEW BUSINESS (CONT.)**

**A. Public Hearings**

**(4) Commission approval requested for Resolution No. 2312.**

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved Resolution No. 2312 expanding the boundaries of the Northeast Neighborhood Development Area, expanding the allocation area for purposes of tax increment financing and amending the Development Plan for the Northeast Neighborhood Development Area.

COMMISSION APPROVED RESOLUTION No. 2312  
EXPANDING THE BOUNDARIES OF THE  
NORTHEAST NEIGHBORHOOD DEVELOPMENT  
AREA, EXPANDING THE ALLOCATION AREA FOR  
PURPOSES OF TAX INCREMENT FINANCING AND  
AMENDING THE DEVELOPMENT PLAN FOR THE  
NORTHEAST NEIGHBORHOOD DEVELOPMENT  
AREA

**B. Tax Abatements**

**(1) Commission approval requested for Resolution No. 2313 approving an application for real property tax deduction for property located at 129 North Michigan Street in the South Bend Central Development Area.**

Mr. Mathia noted that MHM Realty proposes to rehabilitate the former Kalamaros law offices located at 129 North Michigan Street which has been vacant for more than six years. The project will convert 8,100 sft of the first floor space to a restaurant, jazz club and banquet/private meeting space. The mezzanine area will remain office space. The basement will be used for a prep kitchen, inventory storage, and employee changing rooms. Extensive upgrades to the roof, HVAC, electrical, and plumbing systems will also be done.

Rehabilitation costs for the project are estimated at \$586,087. Total taxes to be



**6. NEW BUSINESS (CONT.)**

**B. Tax Abatement**

**(1) continued...**

abated during the five-year abatement period are estimated at \$60,300. Total taxes to be paid during the five-year abatement period are estimated at \$40,200.

Mr. Mathia noted that the project is expected to create four new permanent, full-time jobs and twenty-eight part-time, permanent jobs within the first year, representing a new annual payroll of \$489,232.

MHM Realty has not had any previous tax abatements. The property is properly zoned for the proposed use. The property is located in the South Bend Central Development Area, which is a tax increment allocation area; therefore, the petition for real property tax deduction must first be approved by the South Bend Redevelopment Commission. The project qualifies for six years of real property tax abatement under the tax abatement ordinance.

Mr. Wilson showed plans for the restaurant and explained the layout. A hallway will run the length of the building dividing the restaurant from the jazz club, with the banquet facilities at the rear. Low walls will separate the restaurant from the jazz club so each can be seen from the other. They hope to have outdoor café seating along Michigan Street, but need to work with the city to get permission for that.

Mr. LaFollet noted that the capacity of the restaurant is about 130 seats, 90 in the jazz

## **6. NEW BUSINESS (CONT.)**

### **B. Tax Abatement**

#### **(1) continued...**

club and 100 in the banquet facility. The banquet facility will be able to be divided by a movable partition.

Mr. King asked when they want to open. Mr. LaFollett responded that they plan to open in July.

Mr. Downes asked how much experience the team has running a restaurant. Mr. Wilson noted that he has a lot of experience playing in a jazz clubs. He and Mr. LaFollet have extensive experience in financial and general management. They are hiring a general manager/kitchen manager and a bar manager who are very experienced in their areas.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved Resolution No. 2313 approving an application for real property tax deduction for property located at 129 S. Michigan St. in the South Bend Central Development Area.

COMMISSION APPROVED RESOLUTION No. 2313  
APPROVING AN APPLICATION FOR REAL  
PROPERTY TAX DEDUCTION FOR PROPERTY  
LOCATED AT 129 S. MICHIGAN ST. IN THE  
SOUTH BEND CENTRAL DEVELOPMENT AREA.

### **C. South Bend Central Development Area**

#### **(1) Commission approval requested for Ground Lessor/Estoppel Certificate in the South Bend Central Development Area.**

Ms. Greene noted that this item was on the Commission agenda intended for the February 2 meeting which was canceled for lack of a quorum. At the parties' request, in order to ensure that their refinancing could be

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(1) continued...**

completed in a timely manner, she had executed the Estoppel Certificate on behalf of the Commission, intending to have her actions ratified at the meeting today. However, the parties have delayed closing on the financing and instead, requested that the Estoppel Certificate be approved and signed by the Commission so that the parties can close their financing today.

Ms. Greene explained that an Estoppel Certificate is frequently used in the commercial real estate and mortgage industries. The purpose of an estoppel certificate is to prevent (estop) the tenant in a lease from later claiming a different set of facts concerning the status of the tenant and the landlord's respective rights and obligations under the lease, the lease commencement and expiration dates, rent payment status, any lease amendments, and any events of default. Each of the documents has been reviewed by legal counsel to confirm the accuracy of the statements contained in the Certificate.

Upon a motion by Mr. Downes, seconded by Mr. King and unanimously carried, the Commission approved the Ground Lessor/Estoppel Certificate in the South Bend Central Development Area.

COMMISSION APPROVED THE GROUND LESSOR/ESTOPPEL CERTIFICATE IN THE SOUTH BEND CENTRAL DEVELOPMENT AREA

**(2) Commission approval requested for Contract for Sale of Land for Private Development. (101 N. Michigan St.)**

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(2) continued...**

Ms. Laurent noted that in December 2006 the Redevelopment Commission approved a formal proposal from Michael Wargo and Brad Toothaker, the principals of Michigan Street LLC which outlined a development partnership with the Commission for rehabilitation of the 101 North Michigan building, the former American Bank building, and an expansion upon property currently owned by the Commission, the former Senor Kelly parking lot.

Michigan Street LLC purchased the bank building in 2006 with the intention of fully restoring it as a cornerstone piece of a larger mixed-use residential and commercial condominium development. In December the Commission confirmed its willingness to consider participating in this development as a partner with the developer's submission of a final development plan and with the appropriate private investment demonstrated. This morning staff is presenting a form of Contract for Sale of Land for the Commission-owned Señor Kelly lot and the associated Façade Conservation Agreement which allows the Commission to acquire a real property interest in the exterior façade of the existing historic building in exchange. The terms of the contract allow for a two-phased approach to the construction, the first of which is substantially underway. There is also before the Commission today a resolution authorizing the Board of Public

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(2) continued...**

Works to direct the restoration work on the exterior on the Commission's behalf.

Ms. Greene noted that this has been a somewhat complex project. The Commission is accepting as consideration a façade conservation easement in an historic building. The terms of the Contract for Sale of Land have not been finalized, but Staff desires to move the project along as expeditiously as possible. The Commission is being asked to approve the form of the two agreements with the understanding that final negotiations as to the exact terms are yet to be completed. That will allow the developer to move forward as quickly as possible assuming that the Commission's standard form of agreement is acceptable. However, if there are material changes to the documents, staff would be required to bring the documents back to the Commission for approval of the changes.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the form of Contract for Sale of Land for Private Development. (101 N. Michigan St.) and instructed Staff to complete negotiation of the final form of agreement consistent with Developer's proposal which was previously approved by the Commission.

COMMISSION APPROVED THE FORM OF CONTRACT FOR SALE OF LAND FOR PRIVATE DEVELOPMENT. (101 N. MICHIGAN ST.) AND INSTRUCTED STAFF TO COMPLETE NEGOTIATION OF THE FINAL FORM OF AGREEMENT CONSISTENT WITH DEVELOPER'S PROPOSAL WHICH WAS PREVIOUSLY APPROVED BY THE COMMISSION.

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(3) Commission approval requested for Deed of Façade Conservation Easement. (101 N. Michigan St.)**

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the form of Façade Conservation Easement. (101 N. Michigan St.) and instructed Staff to complete negotiation of the final form of agreement consistent with Developer's proposal which was previously approved by the Commission.

COMMISSION APPROVED THE FORM OF FAÇADE CONSERVATION EASEMENT. (101 N. MICHIGAN ST.) AND INSTRUCTED STAFF TO COMPLETE NEGOTIATION OF THE FINAL FORM OF AGREEMENT CONSISTENT WITH DEVELOPER'S PROPOSAL WHICH WAS PREVIOUSLY APPROVED BY THE COMMISSION.

**(4) Commission approval requested for Resolution No. 2316 approving and authorizing execution of an agency agreement by and between the South Bend Redevelopment Commission and the City of South Bend, Indiana, Board of Public Works relating to the All American Plaza Project.**

Ms. Laurent noted that once the Commission takes possession of the façade, it is our intent to direct and fund the restoration of it as part of the overall project. The Agency Agreement is our typical agreement to allow that work to go through the Board of Public Works.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved Resolution No. 2316 approving and authorizing execution of an agency agreement by and between the South Bend Redevelopment Commission and the City of South Bend, Indiana, Board of Public

COMMISSION APPROVED RESOLUTION NO. 2316 APPROVING AND AUTHORIZING EXECUTION OF AN AGENCY AGREEMENT BY AND BETWEEN THE SOUTH BEND REDEVELOPMENT COMMISSION AND THE CITY OF SOUTH BEND, INDIANA, BOARD OF PUBLIC WORKS RELATING TO THE ALL AMERICAN PLAZA PROJECT

**6. NEW BUSINESS (CONT.)**

**C. South Bend Central Development Area**

**(4) continued...**

Works relating to the All American Plaza Project.

**D. Sample-Ewing Development Area**

There was no business in the Sample-Ewing Development Area.

**E. Airport Economic Development Area**

**(1) Commission appointments requested to the Owners Association at Blackthorn Board of Directors.**

Mr. Witwer noted that Greg Downes' term on the Board of Directors of the Owners' Association at Blackthorn has expired, so the Commission needs to either reappoint him or appoint someone else in his place. Additionally, Bill Panzica has resigned from the Board. The Association recommended Bill Mischel to assume Mr. Panzica's place on the Board. The Association's Bylaws stipulate that the Redevelopment Commission will appoint all three Board members as long as the Commission owns 25% of the total land in Blackthorn Corporate Park, which it does. Therefore, two appointments are needed at this time. Staff recommends reappointing Greg Downes for a full three-year term and appointing Bill Mischel of Shamrock to fulfill the remaining two years of Bill Panzica's term on the Owners Association at Blackthorn Board of Directors. The term of Greg Downes would last through 2009; the

**6. NEW BUSINESS (CONT.)**

**C. Airport Economic Development Area**

**(1) continued...**

term of Bill Mischel would last through 2008.

Upon a motion by Mr. King, seconded by Mr. Blake and unanimously carried, the Commission appointed Greg Downes and Bill Mischel to the Board of Directors of the Owners' Association at Blackthorn for terms of three years and two years respectively.

COMMISSION APPOINTED GREG DOWNES AND BILL MISCHEL TO THE BOARD OF DIRECTORS OF THE OWNERS' ASSOCIATION AT BLACKTHORN FOR TERMS OF THREE YEARS AND TWO YEARS RESPECTIVELY

**(2) Commission approval requested for proposal for professional services in the Airport Economic Development Area. (Engineering, South Bend Regional Public Safety Teaching Center)**

Mr. Witwer noted that Ken Herceg & Associates has submitted a proposal for engineering services related to sewer and water service for the proposed South Bend Regional Public Safety Training Center to be located at the South Bend Regional Airport. The amount of the proposal is \$67,400. . Staff requests approval of a not-to-exceed amount of \$74,000.

Mr. King asked the status of the training facility project and whether it was certain to be built. Mr. Witwer responded that planning for the facility is going forward, though there is no timetable for its construction. This engineering work is part of the planning the City, Airport Authority and County committed to. No work is anticipated to proceed on the infrastructure until the project is certain.



**6. NEW BUSINESS (CONT.)**

**C. Airport Economic Development Area**

**(2) continued...**

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission authorized the request for proposals in the Airport Economic Development Area and accepted the proposal from Ken Herceg & Associates for the scope of services and a not-to-exceed amount of \$74,000.

COMMISSION AUTHORIZED THE REQUEST FOR PROPOSALS IN THE AIRPORT ECONOMIC DEVELOPMENT AREA AND ACCEPTED THE PROPOSAL FROM KEN HERCEG & ASSOCIATES FOR THE SCOPE OF SERVICES A NOT-TO-EXCEED AMOUNT OF \$74,000

**F. South Bend Medical Services District**

There was no business in the South Bend Medical Services District.

**G. West Washington-Chapin Development Area**

There was no business in the West Washington-Chapin Development Area.

**H. South Side Development Area**

There was no business in the South Side Development Area.

**I. Northeast Neighborhood Development Area**

There was no business in the Northeast Neighborhood Development Area.

**J. Douglas Road Economic Development Area**

There was no business in the Douglas Road Economic Development Area.

**6. NEW BUSINESS (CONT.)**

**K. Other**

**(1) Presentation of proposals for disposition services.**

Mr. Laurent noted that staff has been working with several commercial real estate brokers to get the Redevelopment Commission's disposition parcels listed for sale. Staff has had consultations with CB Richard Ellis, Grubb & Ellis/Cressy & Everett, and The Stone Group. Proposals were received from CB Richard Ellis and Grubb & Ellis/Cressy & Everett. Each has prepared a presentation for the public meeting. The Stone Group declined to submit a proposal. Each has prepared a presentation for the public meeting.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission acknowledged receipt of the proposals from CB Richard Ellis and Grubb & Ellis/Cressy & Everett and referred them to staff for review and recommendation.

Mr. Doolittle thanked the Commission for the opportunity to compete for this work. Grubb & Ellis is a commercial real estate company which specializes in a number of disciplines: leasing and sales, development, construction management, property management, and municipal development which provides services to cities and towns that don't have much staff. In many cases they use multiple disciplines to meet the needs of a client. The expertise of its team is extensive and broad. Sheral Litell and Mark Miller will captain the team that markets the Commission's property. Sheral Litell has

COMMISSION ACKNOWLEDGED RECEIPT OF THE PROPOSALS FROM CB RICHARD ELLIS AND GRUBB & ELLIS/CRESSY & EVERETT AND REFERRED THEM TO STAFF FOR REVIEW AND RECOMMENDATION

**6. NEW BUSINESS (CONT.)**

**K. Other**

**(1) continued...**

eighteen years experience in industrial and office sales and leasing, as well as some development in the City of South Bend.

Sheral Litell reviewed the highlights of the Grubb & Ellis proposal. They view their role as a partner with the Commission. They understand the procedural constraints on selling Commission-owned property; they will locate prospects and provide the Commission with the comprehensive information it needs from prospects; and they'll offer accountability through access to online status information on all property.

Christian Davey pointed out Grubb & Ellis' quarterly reports which show where the market has gone and what the market trends are. They catalog all the office, retail and industrial space in St. Joseph County. They use this information to properly position themselves in the market.

Connie Ackles described Grubb & Ellis' multi-layered marketing approach. Each segment of the project will have its own specific marketing campaign designed to sell that property the best way they can. Grubb & Ellis will offer an interactive Web site, connection to the City's Web site and to that of Project Future. They have staff members who will develop the Web site and take care of all technical aspects of making that site easy to access. Their Web design can include renderings, special aerials, mapping, demographics, and customized web sites, as

**6. NEW BUSINESS (CONT.)**

**K. Other**

**(1) continued...**

well as an interactive property movie for some or all of the properties. They'll have flyers prepared and interactive marketing packages.

In addition to the Web site, they maintain an online log of all activity related to sale of property. That site can be accessed by the client with a password, which ensures Grub & Ellis' accountability as our agent.

Mr. Doolittle noted that, remarkably, these marketing tools have been successful in getting prospects to make offers without even setting foot in the community. In one instance, a virtual office tour was e-mailed all over the country to board of directors and they could make a decision together on a conference call. The company then did its space planning with employees without leaving the present office.

Mr. King asked how Cressy & Everett will respond to skepticism that a Mishawaka real estate firm could enthusiastically market property in South Bend. He asked them to explain how Grubb & Ellis would be the best advisor for us. Mr. Doolittle agreed that the perception of Cressy & Everett as a Mishawaka real estate firm is a strong one. He acknowledged that the question probably refers to the fact that Cressy & Everett has invested a great deal of money, time and energy to promote and develop Edison Lakes and whether it could be fair to its competitor, Blackthorn? The answer is that Grubb &

**6. NEW BUSINESS (CONT.)**

**K. Other**

**(1) continued...**

Ellis is client-centric. They work for either the City of South Bend as a client or ABC corporation as a client. They provide them all the necessary information to make a decision. The client makes the choice. Grubb & Ellis doesn't steer. It's against the law to steer. Grubb & Ellis is bound by the law to treat fiduciary responsibilities the same, whether it's Don Cressy or the City of South Bend. They have a blend of services and talents in the organization that can solve unusual problems. Grubb & Ellis' slogan is "We're property solutions worldwide." That's how they approach everything. They want to solve a problem. Mr. Doolittle said Grubb & Ellis has wanted the opportunity to market Commission land for a long time. He's never been given the opportunity to compete. He believes they can do one whale of a job for the Commission.

Mr. Davey said Grubb & Ellis could always put a rebuttal article in the paper, publish stats that show they do about 70% of our business in South Bend. They do work for other communities like Crown Pointe. The Commission will hire the people who have the qualifications to do its job best.

Mr. Downes asked how compensation would be structured. Mr. Doolittle responded that it would depend on the services provided. If selected, he's sure a compensation package can be agreed to that meets both parties' needs.

**6. NEW BUSINESS (CONT.)**

**K. Other**

**(1) continued...**

Mr. King asked if compensation would be negotiated on a case-by-case basis. Mr. Doolittle responded that he thought a general compensation schedule could be defined, but different kinds of cases require different tools. It's hard to anticipate. If there's a transaction that requires them to step to the table and take some risk, he promised they'd be right there. South Bend is one of the most facility-rich communities in the State of Indiana. There needs to be a solid plan that can be executed to take advantage of those rich facilities.

Mr. Toothaker reviewed the elements of the CB Richard Ellis proposal. CB Richard Ellis is a locally owned CB Richard Ellis partner. There are CB Richard Ellis offices in other nearby counties. They have handled requests for property in our area from clients in the surrounding counties. They believe the long term value for an investment user is to locate in the South Bend area.

CB Richard Ellis, nationally, is the biggest real estate commercial group in the world. The connections and contacts they have in the Chicago market offer a lot of opportunity for South Bend.

Mr. Toothaker also pointed out that CB Richard Ellis has recently purchased Trammel Crow Company, a large commercial real estate service provider to corporate users. As a result of the acquisition of Trammel Crow, CB Richard Ellis has

**6. NEW BUSINESS (CONT.)**

**K. Other**

**(1) continued...**

three Tyco subsidiaries that are looking at South Bend for relocation.

Mr. Toothaker believes that the research and technology available to them through the CB Richard Ellis connection enables them to be as good or better than anyone else at marketing the Commission properties. They use all the technology available, including the Web.

Mr. Toothaker also noted that there are a number of junior people in their firm who are focused on making direct contacts, in the South Bend area and outside it, who can encourage companies to expand, develop or move into South Bend.

CB Richard Ellis is located in downtown South Bend. They are passionate about South Bend. They want to help the Commission get its property off the books and development onto the property.

Ms. Emberton addressed the communications package they have available for corporate services clients, including the CB Richard Ellis name. All the standard communications are available to the Commission: written updates, presentations, brochures and fliers, community market information and zoning information, as well as Web based status reports. The Web site would include all the documents necessary for anyone interested in developing on Commission-owned property. Ms. Emberton said they would help the

**6. NEW BUSINESS (CONT.)**

**K. Other**

**(1) continued...**

Commission develop proposal documents that would provide information on the process, a purchase agreement, etc. Ms. Emberton also spoke about the publications they advertise in monthly or quarterly.

Ms Emberton stressed that the most important feature they offer is their contacts and relationships. They will help to assess the strengths and weaknesses of each property and evaluate the marketing approach, giving each property the appropriate exposure. They will also target certain types of businesses we'd like to attract to the community and use CB Richard Ellis' internal network to target specific companies they know are looking to relocate.

Mr. Toothaker summed up the presentation by reiterating CB Richard Ellis' commitment to an extensive marketing effort for the Commission. They want to be the ombudsman to work with the Commission requirements for sale of its land.

Mr. King agreed that the economy is regional, but noted that the Commission is interested in selling property in South Bend, increasing assessed valuation in South Bend and bringing jobs to South Bend. The Commission wants to use property it owns to make those things happen. The Commission needs its agent to have the same attitude. Mr. King asked how the CB Richard Ellis team would approach an inquiry for land: would it offer the region, or push South Bend. Mr.



**6. NEW BUSINESS (CONT.)**

**K. Other**

**(1) continued...**

Toothaker responded that they would be dedicated to the Commission and the property they have to sell. They don't have properties to sell in the surrounding communities. The regional resources serve to provide this team with potential clients who could build here. They can sell South Bend to companies who have made contacts in nearby areas because of the amenities South Bend has.

**7. PROGRESS REPORTS**

There were no reports.

PROGRESS REPORTS

**8. NEXT COMMISSION MEETING**

The next meeting of the Redevelopment Commission is scheduled for Friday, March 2, 2007 at 10:00 a.m.

NEXT COMMISSION MEETING

**9. ADJOURNMENT**

There being no further business to come before the Redevelopment Commission, Mr. King made a motion that the meeting be adjourned. Mr. Downes seconded the motion and the meeting was adjourned at 11:30 a.m.

ADJOURNMENT

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Donald E. Inks, Director

South Bend Redevelopment Commission  
Regular Meeting –February 16, 2007

**EXECUTIVE SESSION**

**February 16, 2007**

The South Bend Redevelopment Commission met in Executive Session on Friday, February 7, 2007, at 8:45 a.m. The meeting was held in Room 1200 County-City Building, 227 West Jefferson, South Bend, Indiana, for the purposes specified in I.C. 5-14-1.5-6.1(b)(2)(D). Commissioner's Present: Marcia Jones, President; Karl King, Vice President; and Hardie Blake. Others Present: Jeff Gibney, Executive Director, Community & Economic Development, Attorney Cheryl Greene, Attorney Shawn Peterson, Bill Schalliol, Nick Witwer, Andy Laurent, Jennifer Laurent, and Robert Mathia. The Commission certifies that no topic was discussed other than the subject matter specified in the Public Notice. The Executive Session was adjourned at 9:50 a.m.

**CITY OF SOUTH BEND,  
DEPARTMENT OF REDEVELOPMENT**

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Printed Name and Title*

**South Bend Redevelopment Commission**